

PROPERTY TAX BASE INFORMATION

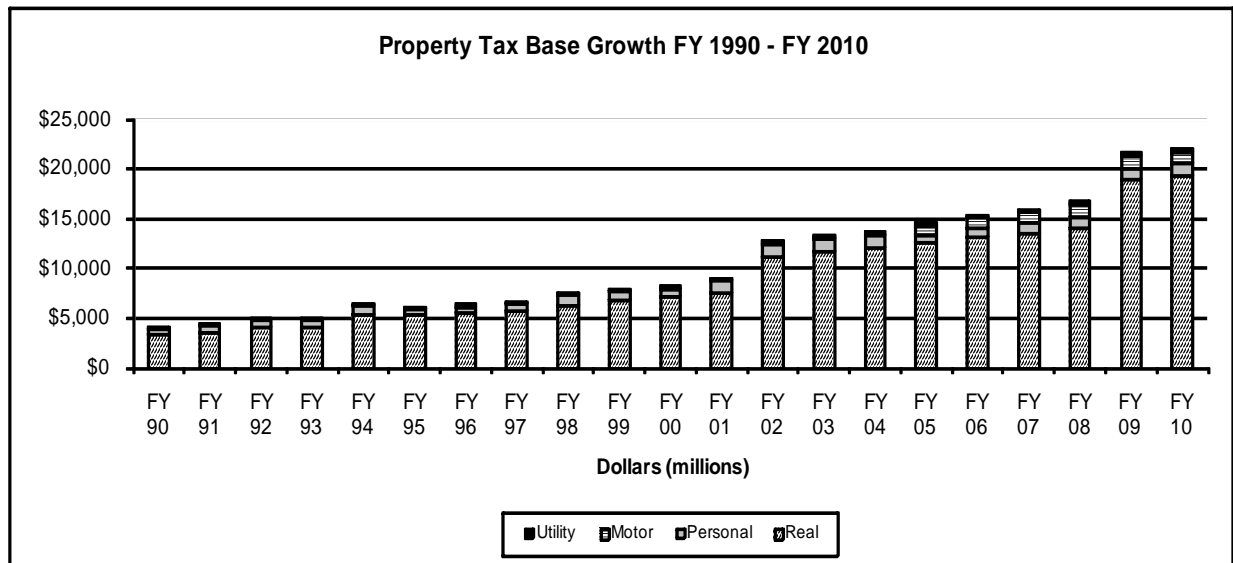
Tax Base Components:

Real Property is comprised of all land and buildings that are taxable. A growth rate of 1.7% is assumed for FY 2009-10 based on data from the County Tax Assessor's Office. Real property makes up approximately 86% of the tax base for FY 2009-10.

Personal Property is comprised of property located in businesses. Based on data from the County Tax Assessor's office and recent trends in this category personal property we assume an increase of 5.86%. Personal property makes up approximately 7% of the tax base in FY 2009-10.

Motor Vehicle is comprised of items such as automobiles, boats, trailers and equipment. We assume a reduction of .9% in value for motor vehicle personal property based on data from the County Tax Assessor's office. Motor Vehicle property makes up approximately 6% of the tax base in FY 2009-10.

Public Utility Property is a state-certified value consisting of businesses such as electric utility, telephone, railroad and trucking companies. Based on data from the County Tax Assessor's office we assume a reduction of 8%. Public utility property makes up approximately 1% of the tax base in FY 2009-10.



The table below depicts the annual property valuation changes that have occurred in the four components of the tax base since FY 1999-00. Property is reassessed every eight years. The last revaluation was effective with the FY2008-2009 fiscal year. (Sources: City Financial Reports, County Tax Office)

| Fiscal Year | Real | % Chg | Personal | % Chg | Motor | % Chg | Utility | % Chg |
|-------------|--------|--------|----------|--------|-------|--------|---------|---------|
| FY 00 | 7,124 | 6.22% | 869 | 12.18% | 1,121 | 32.86% | 313 | 3.22% |
| FY 01 | 7,520 | 5.55% | 954 | 9.74% | 1,125 | 0.28% | 278 | -11.01% |
| FY 02 | 11,171 | 48.56% | 1,139 | 19.44% | 1,147 | 2.03% | 379 | 36.31% |
| FY 03 | 11,652 | 4.31% | 1,186 | 4.14% | 1,175 | 2.41% | 345 | -9.06% |
| FY 04 | 12,099 | 3.83% | 1,248 | 5.23% | 1,162 | -1.11% | 334 | -3.18% |
| FY 05 | 12,594 | 4.09% | 1,244 | -0.32% | 1,169 | 0.60% | 324 | -2.89% |
| FY 06 | 13,086 | 3.91% | 1,347 | 8.28% | 1,212 | 3.68% | 321 | -1.03% |
| FY 07 | 13,583 | 3.80% | 1,408 | 4.53% | 1,343 | 10.81% | 279 | -13.08% |
| FY 08 | 14,060 | 3.51% | 1,450 | 2.98% | 1,343 | 0.00% | 279 | 0.00% |
| FY 09 | 18,915 | 34.53% | 1,443 | -0.48% | 1,343 | 0.00% | 326 | 16.85% |
| FY 10 | 19,241 | 1.72% | 1,525 | 5.68% | 1,331 | -0.89% | 300 | -7.98% |

TAX RATE AND ESTIMATED TAX COLLECTIONS

| | Actual FY2007-08 | Adopted FY2008-09 | Estimated FY2008-09 | Adopted FY2009-10 |
|------------------------------|---------------------|----------------------|------------------------|----------------------|
| Assessed Value | | | | |
| Real Property | \$ 14,059,557,426 | \$ 18,914,682,379 | \$ 18,939,929,886 | 19,240,910,459 |
| Personal Property | 1,696,761,901 | 1,443,284,045 | 1,457,716,885 | 1,524,528,522 |
| Motor Vehicles | 1,572,087,400 | 1,343,234,609 | 1,356,666,955 | 1,330,954,054 |
| Public Utility Property | 278,513,764 | 326,391,840 | 326,391,840 | 300,000,000 |
| Assessed Valuation | \$ 17,606,920,491 | \$ 22,027,592,873 | \$ 22,080,705,567 | \$ 22,396,393,035 |
| Tax Rate Per \$100 Valuation | | | | |
| General Fund | 0.6130 | 0.5385 | 0.5385 | 0.5385 |
| Civic Center | 0.0050 | 0.0015 | 0.0015 | 0.0015 |
| Total Tax Rate | 0.6180 | 0.5400 | 0.5400 | 0.5400 |
| Tax Levy | \$ 108,810,769 | \$ 118,949,002 | \$ 119,235,810 | \$ 120,940,522 |
| Less: Uncollected Taxes | \$ (1,414,540) | \$ (1,665,286) | \$ (1,955,467) | \$ (2,418,810) |
| Estimated Collectable Levy | \$ 107,396,229 | \$ 117,283,715 | \$ 117,280,343 | \$ 118,521,712 |
| Less: Discounts | \$ - | \$ - | \$ - | |
| Estimated Collections | \$ 107,396,229 | \$ 117,283,715 | \$ 117,280,343 | \$ 118,521,712 |
| Appropriated to: | | | | |
| General Fund | \$ 106,527,327 | \$ 116,957,927 | \$ 116,954,564 | \$ 118,192,485 |
| Civic Center | \$ 868,902 | \$ 325,788 | \$ 325,779 | \$ 329,227 |
| *one cent equals | \$ 1,737,803 | \$ 2,171,921 | \$ 2,171,858 | \$ 2,194,847 |

The FY 2009-2010 budget does not include any tax rate changes.

The tax levy is the product of the tax rate and the assessed valuation divided by 100. The tax levy is adjusted for uncollected taxes and discounts.

- The tax levy is adjusted for an assumed amount of uncollected taxes. By state law, the City must account for uncollected taxes at the level of uncollected taxes projected at June 30. For FY 2008-09 the amount of uncollected taxes is equal to 2.0% of the tax levy.
- Tax bills are sent as soon as practical after July 1 and are considered delinquent on January 5.

The budget for current property taxes is based on the amount of estimated property tax collections. The General Fund and the Civic Center Fund which supports the Durham Convention Center receive tax collections based on the proportion of dedicated cents on the tax rate. The Civic Center Fund receives 0.15 cents, which is 0.3% of collections. The General Fund receives 99.7% of collections. The reduction in the amount allocated for the Civic Center Fund is due to the completion of debt payments on the original construction of the Civic Center.